

at the nominal rental of One Dollar (\$1.00) per year, provided, however, that location and layout shall be subject to the approval of Washington Company and shall comply with all laws and regulations pertaining thereto:

SECTION 2. The annual charges on the equipment which Supplying Companies provide shall be as follows:

Initial Equipment for Perryville-Washington Line:

- (a) Equipment at Safe Harbor and at or near Benning, as per Table I-A, totaling 78,000 kw. capacity at an annual charge of.....\$220,620.
- (b) A single phase, 25 cycle step-up transformer substation of 80,000 kva. capacity with preparation of site for 160,000 kva. additional transformer capacity; together with a four circuit single phase 132 kv. steel tower line between Safe Harbor, Pa., and Perryville, Md., as per Table II-A, at an additional annual charge of.....\$207,000.

Additional Equipment as Required:

- (c) The first additional 25,000 kw. frequency changer set at Safe Harbor, as per Table III-A, at an additional annual charge of...\$ 71,700. and each further additional 25,000 kw. frequency changer set at Safe Harbor, as per Table III-A at an additional annual charge of.....\$100,800.

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- (d) An additional 28,000 kw. water wheel generator, as per Table IV-A, at an additional annual charge of.....\$ 71,700.
- (e) Each additional pair of 13 kv. switch positions at Safe Harbor (Conestoga Substation) with oil circuit breakers, etc., for connecting the low tension side of additional step-up transformers to the substation bus, as per Table V-A, at an additional annual charge of.....\$ 4,500.
- (f) Each additional 25,000 kw. frequency changer set, i.e., one additional at Benning and two at or near Loudon Park, as per Table VI-A, at an additional annual charge of.....\$109,200.

SECTION 3. At the time of request by Railroad Company for the installation of equipment herein provided for, other apparatus and equipment may, if and when acceptable to Railroad Company be substituted, or variations in the quantities and arrangement of same may be made. Annual charges in all such cases are to be determined in the same manner as provided for in Article IX hereof.

SECTION 4. An adjustment shall be made in respect to the annual charges for the special equipment enumerated in this Article in the event that Railroad Company's written request for such equipment is not received by Electric Companies within sixty (60) days after the date of this contract. Such adjustment shall be made in accordance with the variation

in the price of electrolytic copper as quoted on the New York metal market and in the price of commercial grade steel billets as quoted on the Pittsburgh metal market. The base price of these commodities shall be taken as 8.952 cents per pound for electrolytic copper and \$1.34 per hundred weight for steel billets, and adjustment shall be made for the average of the daily closing price quotations for the first full calendar month following written notice on the part of Railroad Company requesting additional special equipment. The percentages which copper and steel billets bear to the total cost are 15% and 55% respectively.

SECTION 5. In respect to the initial electrified operation of the Philadelphia, Baltimore and Washington Railroad, between Perryville, Md. and Washington, D. C., the following dates in lieu of the notice of eighteen months and fifteen months respectively, specified in Section 1 of this Article, are hereby agreed upon for Supplying Companies to have equipment ready for service and for Railroad Company to commence pro rata payments of annual charges:

January 1, 1935 . . . \$28,095.00 per month covering one hydro unit, one frequency changer set, 25 cycle, 13 kv. bus, connecting cables, step-up transformer substation, all at Safe Harbor and including the transmission line to Perryville.

June 1, 1935 \$ 7,540.00 per month covering one 25,000 kw. frequency changer set at Benning.

SECTION 6. Supplying Companies further agree to supply without charge D. C. control current at or near the location of Supplying Companies' frequency changer stations for the

control of Railroad Company's switching equipment and to operate Railroad Company's outdoor substations at Benning, D. C., and Loudon Park, Maryland, (after such time as Railroad Company may request a frequency changer station at this location) and Safe Harbor, Pa., in accordance with the directions of the authorized representatives of Railroad Company, provided, however, that Railroad Company arranges with the supplying company for the installation and maintenance of such control circuits between said frequency changer station control room and Railroad Company's outdoor substations and provided further that Electric Companies do not assume any liability for damage to property and equipment or for injury to persons caused directly or indirectly in connection with the furnishing of these facilities and/or services under this Section, and that Railroad Company hereby agrees to indemnify Washington Company for damage to property and equipment or for injury to persons and employees caused directly or indirectly in connection with the furnishing by Washington Company of these facilities and/or services under this Section.

SECTION 7. The annual charges to be paid by Railroad Company to Electric Companies under this Article shall be reduced by \$6,000 which is the agreed upon amount of rental and Supplying Companies' share of the maintenance cost of the 110 kv. circuit described in Section 3 of Article III-A. said reduction shall commence, prorated, from the date the entire length of this circuit is made available between Patapsco Crossing and Benning, under the provisions of Section 3 of Article III-A and Section 2 of Article XII.

SECTION 8. At such time as Railroad Company shall call on Electric Companies to provide the first unit of additional single phase capacity at Safe Harbor under the provisions of Section 1 of this Article, Electric Companies shall have the option of providing either a 25,000 kw. frequency changer or a 28,000 kw. water wheel generator as specified in Items (c) and (d) respectively of Section 2 of this Article and described in detail in Tables III-A and IV-A.

SECTION 9. Railroad Company further agrees to supply without charge 100 cycle power at not more than four of its signal bridges along the east side of the Susquehanna River between Safe Harbor and Shocks Mills Bridge for the operation of Electric Companies' telemeter transmitters for remote water level indications, provided the amount of power supplied at each such point shall not exceed 250 watts and that the use thereof shall not adversely affect the signal facilities of Railroad Company.

ARTICLE IX

OTHER FACILITIES AND JOINT USE

SECTION 1. If from time to time it appears practicable and desirable to both parties to make use of each other's property and/or facilities for additional single phase hydro generation beyond the provisions of Article VIII, for power transmission, communication, or other similar purposes, or to make use of each other's engineering, construction and/or maintenance organization or special maintenance and construction equipment, it is agreed between the parties hereto that one party

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will provide such facilities, do work or perform services for the other as agreed upon in detail at the time, at actual cost plus such percent to cover overhead charges as is customarily charged by the party doing the work.

SECTION 2. For such electrical equipment, transmission structures and circuits as are especially provided for Railroad Company's use by Electric Companies, the annual charges thereon shall be at the rate of 12.75% of the cost thereof in Maryland and 12.0% in Pennsylvania plus the cost of operation and maintenance; for hydraulic equipment including substructure and superstructure at the rate of 10.5% including the cost of operation and maintenance; and for real estate, right-of-way, cost of excavation and grading work of substation sites at the rate of 8.5%. The above rates are predicated on the use over an average period of 20 years and shall be adjusted by mutual agreement to take care of less than 20 years occupancy.

SECTION 3. Railroad Company will provide, operate and maintain as a consideration of this agreement,* communication, telemetering and control circuits in conjunction with its own telephone cable and plant facilities, including connections thereto, required directly or indirectly in the joint interest and/or for the joint use of the parties hereto, as specified and described in Table XI-A attached hereto and made a part of this contract. Electric Companies and Railroad Company shall each have the right to ask for modifications or rearrangements of the facilities so described in a manner as may better

* Refers to Supplemental Agreement of August 15, 1934.

meet their future requirements, provided that such modifications or rearrangements requested by Electric Companies shall not involve either additional wire circuits or additional expense without compensation to Railroad Company, and provided also that such modifications or rearrangements requested by Railroad Company can be effected under the then prevailing state of the art in a manner that will not curtail or impair Electric Companies' essential communication, telemetering and control services in the event that it becomes necessary for Railroad Company to withdraw for its own use some of the circuits described in Table XI-A.

ARTICLE X

COORDINATED OPERATION OF POWER SUPPLY.

SECTION 1. During the hours of peak loads on other sections of the railroad, and provided that such peak loads do not regularly occur during the hours of peak loads of the "contractual supply" specified in Article II, Railroad Company may call for and Electric Companies shall then furnish without demand charge additional loads in excess of the "contractual supply" up to the capacity of one unit rated at not more than 28,000 kw. but Electric Companies shall not be obligated to furnish energy in excess of 56,000 kwh. on days of high flow and 20,000 kwh. on days of low flow. For the purpose of this Article a day of high flow is defined as a 24 hour period from midnight to midnight during which water is discharged over or through the spillway openings at the Safe Harbor plant for more than two consecutive hours, all other days being days of low flow.

This additional supply furnished by Electric Companies in excess of the "contractual supply" is subject to Railroad Company complying with the following conditions:

(a) That Railroad Company secures the consent of third parties affected by the provisions of this Article (which parties are normally supplying those other sections of the railroad) or without such consent upon advice of Railroad Company that it has the right under its contract with such third parties to put into effect the method of operation herein described.

(b) That the capacity of the 25 cycle hydro and motor-generator units installed in accordance with Article VIII is sufficient.

(c) That there is no major breakdown to Electric Companies' generating equipment.

(d) That Railroad Company has installed the equipment necessary for putting into effect the method of operation herein described without causing undue disturbance to other services of Electric Companies.

SECTION 2. Said capacity and energy is to be furnished by Electric Companies either from a segregated unit at their hydroelectric generating plant or from the 25 cycle unsegregated units supplying normally the "contractual" load, or by a combination of these two methods of operation, as Railroad Company may elect; if furnished from unsegregated units, the load may be transferred from the other sections of the Railroad Company by means of suitable switching operations

carried out by Railroad Company on its own system, or may be furnished through parallel operation where such method of operation is provided for by separate agreement; if furnished from a segregated unit, Electric Companies may limit the duration of such supply to a continuous period of not over two hours per day and may furnish approximately full load of such segregated unit on days of high flow and not less than 7,500 kw. on days of low flow. All operations are to be carried out by Electric Companies as near as practicable in accordance with the load dispatching directions of Railroad Company, subject, however, to the limitations as to duration and amount of supply stipulated in this Article. Demand and energy furnished to Railroad Company in connection with said additional load shall either be metered separately by equipment installed by Railroad Company at its own expense or shall be computed by a method jointly agreed upon between Electric Companies and Railroad Company prior to the furnishing of such additional loads. For all energy delivered under the provisions of this Article in excess of the "contractual supply," Railroad Company shall pay a surcharge of one and sixty-six hundredths (1.66) mills per kwh.

ARTICLE XI.

PAYMENTS

SECTION 1. On or before the Fifth day of each month a bill for all charges under Articles VII to X inclusive, suitably prorated on a monthly basis, shall be rendered to Railroad Company by Consolidated Gas Electric Light and Power

Company of Baltimore for Supplying Companies jointly and Railroad Company shall pay same on or before the Twentieth day of each month without deduction for any amount in dispute. On those charges or credits for which final data are not available at the time when bill is rendered, a temporary method of billing shall be agreed upon subject to final correction the following month or months or at the end of each calendar year.

In rendering bills and receiving payment thereof, the Consolidated Gas Electric Light and Power Company of Baltimore is acting for itself and for the other companies, jointly referred to as Supplying Companies, and payment by Railroad Company to the Consolidated Gas Electric Light and Power Company of Baltimore in accordance with terms hereof shall be a full and complete discharge of its liability for payments to Supplying Companies hereunder.

SECTION 2. If at any time during the term of this contract Electric Companies shall supply electricity to any consumer at a lower rate than that hereinbefore given to Railroad Company hereunder and such lower rate shall not be justified by different conditions of service making the cost of production for and distribution to such other consumer relatively less than to Railroad Company, then and in that event and so long as such lower rate shall be given to such other consumer while this contract is in force, Railroad Company shall be entitled to a reduction in its said rate equal to so much of the amount of the difference between such lower rate and the Railroad Company's said rate as shall not be justified.

ARTICLE XII

INTERRUPTIONS TO SERVICE, CANCELLATION OF CONTRACT,
NON-PAYMENT OF BILLS, OTHER USES OF POWER

SECTION 1. It is expressly agreed that Supplying Companies shall not be held responsible or liable for any loss or damage on account of the non-delivery of all or any portion of the electrical energy herein contracted for, nor for any deduction or delay in such delivery caused by strike not due to the collusion of Supplying Companies, or fire, civil or military authority, insurrection or riot, the action of the elements or by any other cause beyond its control; and, on the other hand, it is agreed that if Supplying Companies shall at any time fail for any such cause to make delivery of any energy called for by Railroad Company to meet its requirements, such failure shall entitle Railroad Company to proportionate and equitable deduction from payment for demand and annual charges during the month in which such non-delivery occurred. Any such deduction or abatement shall be made as soon as practicable after the end of the month in which the failure of delivery occurred.

SECTION 2. It is recognized that Railroad Company must receive regular and uninterrupted service from Supplying Companies in order to make this contract of value to it, and if for any cause, not contributed to by Railroad Company or by equipment outside of Supplying Companies' control, interruptions to service to be furnished under this contract shall be so frequent or of such character or duration as to interfere materially with Railroad Company's operation of its

lines, then Railroad Company shall in writing notify Electric Companies thereof, specifying the reason for complaint; and Electric Companies shall forthwith proceed to remedy the trouble. If the trouble is not so remedied within thirty (30) days or such reasonable period as shall be mutually agreed upon, Railroad Company may by notice in writing to Electric Companies cancel this contract. Such cancellation shall take effect as soon thereafter as Railroad Company may be able to obtain elsewhere the necessary supply of energy, and in the interim Supplying Companies shall, under all terms and conditions of this contract, continue to supply for a reasonable time the energy necessary for Railroad Company's requirements, and Railroad Company shall state definitely in said cancellation the date when the supply of energy under this contract shall cease.

It is recognized that under the provisions of this agreement,* Electric Companies assume the responsibility of uninterrupted service to Railroad Company, including that portion of the service supplied by Washington Company. Washington Company hereby expressly agrees to use due diligence and cooperate with Electric Companies for the purpose of maintaining satisfactory and uninterrupted service to Railroad Company. In the event that disturbances to service causing complaint by Railroad Company are due to conditions arising on Washington Company's system, the correction of such conditions shall be undertaken by Washington Company at Electric Companies' request. If the correction of such conditions, prior to the installation of the 60 cycle tie line facilities

* Refers to Supplemental Agreement of August 15, 1934.

between Westport and Benning, is beyond Electric Companies' control, but can be effected by providing these facilities, either Electric Companies or Railroad Company shall have the right to call upon the other parties to provide their respective portion of the 60 cycle tie-in facilities referred to in Section 3 of Article III-A irrespective of the installation dates provided for in that section, and the right of Railroad Company to cancel this contract on account of interruptions on that portion of the service supplied by Washington Company shall be suspended for the period required to provide these facilities. Such right of cancellation, however, shall be reinstated within a reasonable time after these facilities are in operation, in the event that Electric Companies, after being notified in writing by Railroad Company of service complaints as provided in the foregoing paragraph, have failed to remedy the trouble.

SECTION 3. Should Railroad Company fail to make payment due under Article XI within thirty (30) days after receipt of a bill therefor, Electric Companies shall have the right to discontinue for that cause the supply of electrical energy hereby agreed to be furnished by them, after having given Railroad Company ten (10) days' notice in writing of its intention so to do and the cause therefor. In case the supply of electrical energy shall be discontinued on account of the non-payment of any bill rendered by Electric Companies, Railroad Company shall, nevertheless, be obliged to pay and shall pay to Electric Companies, during the period of such discontinuance, the demand and annual charges in force at the time of such discontinuance. During such period of discontinuance and before the life of the contract shall have

been terminated, Railroad Company may procure resumption of the electrical service hereunder upon and by the payment to Electric Companies of all moneys at the time due to them hereunder, with interest on such moneys at the rate of six per cent (6%) per annum from the time they become due until the time of payment, but in any such period of discontinuance Electric Companies may, at their option, give written notice to Railroad of their intention to terminate this contract, and in case such notice be given, this contract shall terminate at the expiration of thirty (30) days after the giving of such notice, unless before such expiration Railroad Company shall have made the payments entitling it to the resumption of service as above provided.

SECTION 4. Upon the expiration of the full contract period as stipulated in Article I, or in the event that Railroad Company shall terminate this contract under Section 2 of this Article, Railroad Company shall have the right to purchase from Electric Companies the step-up transformer station at Safe Harbor and the transmission line connecting said step-up station to Railroad Company's 132.0 kv. switching station at Perryville.

In the event that Electric Companies shall terminate this contract under Section 3 of this Article, Railroad Company shall be obligated to purchase from Supplying Companies all the property and equipment that may have been provided by Supplying Companies up to that time for Railroad Company's use, as per Article VIII and IX hereof; except for hydro generators and single phase bus at Safe Harbor for

which Railroad Company shall pay to Electric Companies a sum of money to be agreed upon as representing a fair division, as between the parties, of the original or replacement cost of such equipment.

Upon the expiration of the full contract period as stipulated in Article I, Electric Companies shall promptly remove, if requested by Railroad Company, any portion of the transmission line from Safe Harbor to Perryville which may be located on Railroad Company's right-of-way or property, referred to in Table II of this agreement, and, likewise, if requested by Supplying Companies, Railroad Company shall promptly remove any portion of its equipment which may be located on Supplying Companies' property.

The purchase price to be paid by Railroad Company to Supplying Companies for property and equipment as may be involved either at the expiration of this contract or at the earlier termination thereof, shall be determined by appraisal and agreement, giving due consideration to the original and/or replacement cost, obsolescence, depreciation, and all other factors affecting the then value of the said property and equipment, all of which purchases are conditioned upon the approval of any regulatory authorities within their respective powers and jurisdiction.

SECTION 5. Supplying Companies agree that Railroad Company shall have the right, during the term of this contract, to sell or transmit portions of the electrical energy supplied to it by Supplying Companies under this contract, to any other railroad within the zone specified in Article II, which

railroad it now controls or hereafter may control or which is affiliated with it, and which railroad now constitutes or may hereafter constitute a portion or portions of the system of Railroad Company; also, that Railroad Company shall have the right under this contract to supply electrical energy for traction and other railroad operation and maintenance purposes consumed by itself and/or other railroads or companies in yards, terminals and on lines used jointly with connecting railroads, within or adjacent to the electrified zone and to resell such energy to said other users, but Railroad Company shall not have the right to sell or transmit any portion of such electrical energy to any parties other than the above, either for electric traction requirements or for any other purpose.

ARTICLE XIII

METERING

SECTION 1. All electrical energy furnished under this contract for Railroad Company shall be measured, both as to maximum demand and as to kilowatt hours, by meters to be installed and maintained by Electric Companies at their own expense, at the points of supply specified in Article III or at such other more convenient locations as may be agreed upon between the parties, including a suitable adjustment to be applied to the measurement to correct for differences caused by such change in location.

SECTION 2. Railroad Company shall install and maintain metering equipment in the 132.0 kv. transmission lines at Perryville and/or at such other points as may be found

necessary, for the purpose of carrying out the provisions of Article X.

SECTION 3. The instruments to be installed by Electric Companies and Railroad Company shall be of a standard type and manufacture, and shall accurately measure the energy in electrical units and in periods of time as required by the terms of this agreement. Railroad Company shall have the right to install at its own expense, check meters in series with Electric Companies' meters, using separate current and potential transformers whenever convenient. Both parties shall have the right to be represented at the readings of, and in the checking, adjusting, or changing of billing and checking meters.

All meters shall be kept under seal. Railroad Company agrees to provide, without charge, at its substations, suitable and necessary space and supports acceptable to Electric Companies for the erection, maintenance and testing of Electric Companies' meters and the necessary auxiliary apparatus for the said meters.

SECTION 4. All meters shall be tested and calibrated by comparison with accurate standards at regular intervals as may be mutually agreed upon. If as a result of any test, a meter shall be found incorrect, or inaccurate, it shall be restored to an accurate condition or a new meter shall be substituted. In case either Electric Companies or Railroad Company shall at any time believe that any meter registers incorrectly, the party holding such belief shall have the right to require that an extra test outside the regular schedule be made of such meter. The party desiring such test shall make

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request therefor in writing upon the other party, and thereupon such meter shall be tested and calibrated, and if it shall be found inaccurate it shall be restored to an accurate condition or a new meter shall be substituted. If as a result of any test, any meter shall be found to register in excess of two per cent (2%) either above or below normal, then the readings of the check meter if available and if found correct within two per cent (2%) shall be substituted. If no check meter is available then the readings of the normal billing meter previously taken shall be corrected according to the percentage of inaccuracy so found, but no such correction, either in respect to maximum demand or kilowatt hours drawn and consumed, shall extend back beyond thirty (30) days previous to the day on which such inaccuracy shall be discovered by such test, and if during such previous thirty (30) days one or more prior tests shall have been made under provisions hereof, then no such correction shall extend back beyond the date of the last of such prior tests.

ARTICLE XIV

ARBITRATION

It is the intent of this agreement that disputes which may arise regarding its provisions shall be amicably settled between the parties hereto but in case any dispute cannot be thus settled within a reasonable time it shall be referred to a Board of Arbitration consisting of three competent disinterested persons experienced in the particular matter which is the subject of dispute, upon service of written notice by either party to the other.

The first member of said Board shall be chosen by the party complaining, the second member by the other party, and the third member by the first and second members. Should the second or third member remain unselected at the expiration of thirty (30) days after notice of arbitration is given, then upon the request of the complaining party, and upon notice thereof having been given to the other party, the second or third member, or both, of the Arbitration Board shall be selected by the then Chief Judge of the Court of Appeals of Maryland, or, in the event of the said Judge's disinclination or failure to act within sixty days after original notice of arbitration, said selection shall be made by the then Chairman of the Public Service Commission of Maryland.

The Board of Arbitration shall proceed at its earliest convenience to hear and determine the questions at issue after having given each party hereto not less than five days' notice of the time and place of the first meeting.

Each party shall be permitted to be represented by counsel before the Board of Arbitration, and to present in full, by competent witnesses, all facts, figures and statements which might aid the Board of Arbitration to give a final and fair judgment as to the questions in dispute.

The determination of the Board of Arbitration, or a majority thereof, shall be made within sixty days after the submission to said Board, unless prevented by circumstances unforeseen, and the decision of the Board of Arbitration or a majority thereof, shall be final and conclusive upon the parties hereto and said parties shall abide by such decision.

All expenses in connection with such arbitration, including a reasonable compensation for the arbitrators, shall be divided equally between the parties, with the exception of expenses of counsel, witnesses and employees of the parties, which expenses shall be borne by the parties incurring them.

All notices herein provided for may be given by serving the same in writing; or by sending the same by registered mail addressed to the party interested, at its principal place of business.

ARTICLE XV

APPROVAL OF REGULATORY AUTHORITIES

The provisions of this contract and supplemental agreement are subject to the approval of regulatory authorities within their respective powers and jurisdiction under the Constitution and Laws of Pennsylvania, Maryland, the District of Columbia, and the United States, and all parties hereto shall cooperate in obtaining such approval.

ARTICLE XVI

ASSIGNMENT

This contract shall enure to and be binding upon the successors and assigns of the respective parties hereto, but no such assignment shall be made by either party hereto without the written consent of the other.

TABLE I-A

INITIAL CONVERTING EQUIPMENT AT BENNING

Adjacent to or within the Benning Generating Station in the northeast section of the District of Columbia, Washington Company will provide, operate and maintain a frequency changer station, consisting of one 60/25 cycle frequency changer of 25,000 kw., 80% p.f., single phase rating on 25 cycle side, with cable connection between the 60 cycle side of this machine and the main 60 cycle Benning Station Bus, and including the cable leads, oil circuit breaker, and disconnecting switch on the 25 cycle side of the frequency changer, said switches being located in and made a part of Railroad Company's 13 kv. bus.

Railroad Company's transformer substation, 25 cycle single phase, 13 kv. bus, and such direct 132 kv. and 110 kv. circuit connections as may be required from said substation to the Railroad Company's own right-of-way, will be located on property owned by Washington Company, and Railroad Company may occupy same at the nominal rental of One Dollar (\$1.00) per year. The annual charge on said equipment shall be.....\$90,480.

INITIAL GENERATING AND CONVERTING EQUIPMENT AT
SAFE HARBOR

Electric Companies will provide, operate and maintain in and adjacent to the Safe Harbor Hydro-electric Plant at Safe Harbor, Pa., one 25 cycle water wheel generator, 28,000 kw., 80% p.f., single phase rating; one 60/25 cycle frequency

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changer, 25,000 kw., 80% p.f., single phase rating on 25 cycle side, with cable connection between the 60 cycle side of this machine and the main station 60 cycle bus; single phase cables together with oil circuit breakers, disconnecting switches, control and other appurtenant equipment for connecting both 25 cycle machines to a 13 kv. outdoor, 25 cycle single phase bus located in a substation near the mouth of Conestoga Creek, at an annual charge of.....\$130,140.

Total annual charges to be paid by Railroad Company as stipulated in Article VII, Section 2, Item (a)...\$220,620.

TABLE II-A

INITIAL SUBSTATION AT SAFE HARBOR

Electric Companies will provide, operate and maintain at Safe Harbor a 13 kv. outdoor, 25 cycle single phase double bus located in a substation near the mouth of Conestoga Creek; four single phase step-up transformers each rated 20,000 kva., 13.2/132 kv., 25 cycle, together with 13 kv. oil circuit breakers, disconnecting switches and other appurtenant equipment for connecting these transformers on the low tension side to the 13 kv. outdoor bus and the necessary high tension air break switches, control and protective equipment for connecting these transformers on the high tension side to four 132 kv. transmission lines; including also the necessary auxiliary substation equipment.

The substation site shall be graded and improved for an ultimate transformer capacity of 240,000 kva. including transfer and handling tracks, on which site Electric Company shall permit Railroad Company to install additional transformers and substation equipment. When so occupied Railroad Company shall pay a nominal rental of One Dollar (\$1.00) per year. Additional transformer capacity, foundations, structures and equipment, to be provided, operated and maintained by Railroad Company. This initial substation shall be provided at an annual charge of \$84,900.

INITIAL TRANSMISSION FACILITIES

Electric Companies will also provide, operate and maintain a four circuit single phase 132 kv. steel tower transmission

line connecting said transformer substation to a 132 kv. switching station of Railroad Company at Perryville, Md., adapted to lateral connections with Railroad Company's step-down substations adjacent to the C. & P. D. R.R. tracks at or near Conowingo, Md., and Holtwood, Pa., respectively, at which latter point Electric Companies shall permit Railroad Company to occupy land owned by Electric Companies for a transformer station at a nominal rental charge of One Dollar (\$1.00) per year, Railroad Company furnishing without charge such locations for towers and supporting structures on its own right-of-way and on adjacent real estate owned by Railroad Company, where Electric Companies may find said locations necessary without interfering with Railroad Company's other necessary uses of said right-of-way or property, all at an annual charge of\$122,100.

Total annual charges to be paid by Railroad Company as stipulated in Article VIII, Section 2, Item (b).....\$207,000.

TABLE III-A

ADDITIONAL CONVERSION EQUIPMENT AT SAFE HARBOR

Electric Companies will also provide, operate and maintain at Safe Harbor a total of three additional 60/25 cycle, frequency changers, 25,000 kw., 80% p.f., single phase rating on 25 cycle side with cable connection between the 60 cycle side of these machines and the main station 60 cycle bus, together with single phase cables, oil circuit breakers, disconnecting switches, control and other appurtenant equipment for connecting these frequency changers to the 13 kv. outdoor 25 cycle single phase bus located in the transformer substation, including such extensions to the 25 cycle double bus as may be required, at additional annual charges as follows:

For the first of such three frequency changers as stipulated in Article VIII, Section 2, Item (c) of.....\$71,700.

For the second and third of such frequency changers as stipulated in Article VIII, Section 2, Item (c) of....\$100,800.

TABLE IV-A

ADDITIONAL WATER WHEEL GENERATOR AT SAFE HARBOR

Electric Companies will also provide, operate and maintain at Safe Harbor one additional 25 cycle water wheel generator, 28,000 kw., 80% p.f., single phase rating to provide direct 25 cycle, single phase generation, together with single phase cables, oil circuit breakers, disconnecting switches, control and other appurtenant equipment for connecting this machine to the 13 kv. outdoor 25 cycle single phase bus located in the transformer substation, including such extensions to the 25 cycle double bus as may be required, at an additional annual charge as stipulated in Article VIII, Section 2, Item (d) of.....\$71,700.

The above annual charge is based only on the difference in cost between a 25 cycle and a 60 cycle generator and appurtenant equipment, adjusted to equalize the annual charges for this additional water wheel generator and the first additional 25,000 kw. frequency changer described in Table III-A, as referred to in Section 8 of Article VIII.

TABLE V-A

ADDITIONAL 13 Kv. TRANSFORMER SWITCHING EQUIPMENT
AT SAFE HARBOR

Electric Companies will provide, operate and maintain at Safe Harbor, additional switch positions in pairs, on the 13 kv. outdoor 25 cycle double bus, including such bus extensions as may be required together with oil circuit breakers, disconnecting switches and control for same, for connection to the low tension side of additional step-up transformers to be installed by Railroad Company in this substation up to an ultimate installed transformer capacity at this substation, including the initial installation, of 240,000 kva., at an additional annual charge for each pair of such switch positions as stipulated in Article VIII, Section 2, Item (e) of \$4,500.

TABLE VI-A

ADDITIONAL CONVERSION EQUIPMENT AT BENNING AND
LOUDON PARK

Supplying Companies will also provide, operate and maintain at or near Benning one additional frequency changer and at or near Loudon Park a total of two frequency changers, all to be 60/25 cycle, single phase and of 25,000 kw., 80% p.f., single phase rating each on 25 cycle side, fed by cables connecting the frequency changer stations to the Benning Generating Station bus and to the Westport Switching Station bus, respectively, and including necessary cable with one oil circuit breaker and disconnecting switch on the 25 cycle side of each frequency changer unit, said switches being located in, and made a part of, Railroad Company's 13 kv. bus, at an additional annual charge for each frequency changer as stipulated in Article VIII, Section 2, Item (f) of \$109,200.

TABLE VII

OPERATING ACCOUNTS FOR STEAM STATIONS NOW OWNED OR
HEREAFTER ACQUIRED OR BUILT BY ELECTRIC COMPANIES

Acct.

No.

- 350 Superintendence.
- 351 Boiler Labor.
- 352 Engine Labor.
- 353 Electric Labor.
- 354 Other Labor.
- 355 Fuel.
- 356 Sale of Ashes.
- 358 Water.
- 359 Lubricants.
- 360 Boiler Plant Supplies.
- 361 Boiler Plant Expenses.
- 362 Other Power Plant Supplies.
- 363 Other Power Plant Expenses.
- 364 Superintendents and other Employees Expenses.
- 365 Maintenance of Power Plant Structures.
- 366 Maintenance of Railroad Sidings and Trestles.
- 367 Maintenance of Boiler Plant Equipment.
- 368 Maintenance of Steam Engines and Turbines.
- 369 Maintenance of Turbo-generators.
- 370 Maintenance of Other Electric Generators.
- 371 Maintenance of Other Electric Equipment.
- 372 Maintenance of Coal Storage and Weighing Equipment.
- 373 Maintenance of Other Power Plant Equipment.

TABLE VIII

OPERATING ACCOUNTS FOR HOLTWOOD AND SAFE HARBOR
HYDRO STATIONS

Acct. No.	
374	Superintendence.
375	Hydro Labor.
376	Electric Labor.
377	Other Labor.
379	Lubricants.
380	Supplies and Expenses.
381	Other Power Plant Expenses.
382	Superintendents and Employees Expenses.
383	Maintenance of Dams.
384	Maintenance of Structures.
385	Maintenance of Railroads, etc.
386	Maintenance of Turbines.
387	Maintenance of Generators.
388	Maintenance of Other Electric Equipment.
389	Maintenance of Other Power Plant Equipment.
*	Miscellaneous Operation and Maintenance of other than Plant (Village, Radio, Truck, Tractor, Motor Boat):
	* Account Number to be determined.

TABLE IX

OPERATING ACCOUNTS FOR 70 Kv. AND 220 Kv. SWITCHING
STATION AT SAFE HARBOR, 70/13.2 Kv. AND 220/33/13.2 Kv.
STEPDOWN STATIONS AT BALTIMORE

Acct. No.	
415	Substation Superintendence.
418	Substation Labor.
423	Substation Supplies & Expenses.
427	Maintenance of Substation Structures.
434	Maintenance of Substation Equipment.

TABLE X

OPERATING ACCOUNTS FOR THE 220 KV. AND 70 KV. LINES
BETWEEN SAFE HARBOR, HOLTWOOD AND BALTIMORE, AND
THE 33 KV. TIE CABLES IN BALTIMOREAcct.
No.

- 415 Transmission Systems Superintendence.
- 416 Overhead Transmission System Labor.
- 417 Underground Transmission System Labor.
- 419 Telephone System Labor.
- 420 Other Transmission System Labor.
- 421 Supplies and Expenses of Overhead Transmission System.
- 422 Supplies and Expenses of Underground Transmission System.
- 424 Telephone System Supplies and Expenses.
- 425 Transmission System Rent—Underground.
- 426 Other Transmission System Supplies and Expenses.
- 428 Maintenance of Tower Lines.
- 429 Maintenance of Overhead Conductors.
- 430 Maintenance of Overhead Telephone System.
- 431 Maintenance of Underground Conduits.
- 432 Maintenance of Underground Conductors.
- 433 Maintenance of Underground Telephone System.
- * Energy losses at 3.0 mills/kwh. between 13.2 kv. Bus of Hydro Stations and Low Tension Bus of Stepdown Stations.

* Account Number not authorized—to be computed from actual operating records.

TABLE XI-A

A. COMMUNICATION FACILITIES

Railroad Company will provide, operate and maintain the following communication circuits or channels, loaded as may be necessary, in conjunction with its own telephone cable and plant facilities, together with such wire, telephone and turret connections, protective and other telephone plant equipment as may be required to provide communication between the various operating and dispatching offices involved.

- (1) One circuit connecting to each of the following points: Safe Harbor operator, Electric Companies' Baltimore load dispatcher, Washington Company's load dispatcher and Railroad Company's Baltimore power director.
- (2) One additional circuit connecting to each of the following points: Railroad Company's Philadelphia load dispatcher, Safe Harbor operator, Electric Companies' Baltimore load dispatcher, Washington Company's load dispatcher and Railroad Company's Baltimore power director.
- (3) One circuit connecting to each of the following points: Railroad Company's Philadelphia load dispatcher, Philadelphia Electric Company's load dispatcher, Electric Companies' Baltimore load dispatcher and Railroad Company's Baltimore power director.
- (4) One circuit connecting the Safe Harbor and Holtwood hydro plant operators.
- (5) One circuit connecting the Safe Harbor operator and Railroad Company's Perryville Tower, with intermediate patrol box connections for use of Electric Companies' transmission line patrolmen and with additional connections to the Conowingo and Holtwood plant operators.
- (6) One circuit connecting the Safe Harbor operator and Railroad Company's Harrisburg power director.
- (7) One circuit connecting the Safe Harbor operator with patrol box telephones on the Railroad right-of-way between Safe Harbor and Shocks Mills Bridge, for use of Electric Companies' river observers.

B. TELEMETERING FACILITIES

Railroad Company will provide, operate and maintain the following telemetering circuits or channels in conjunction with its own telephone cable and plant facilities, together with such wire and protective facilities as may be required to provide suitable telemetering facilities between the various operating and dispatching offices involved.

- (1) *[Deleted.]*
- (2) *[Deleted.]*
- (3) One circuit between the Benning control room, Electric Companies' Baltimore Load Dispatching office and the Safe Harbor control room.
- (4) Three additional circuits between the Benning control room and Electric Companies' Baltimore Load Dispatching office.
- (5) Three additional circuits between the Safe Harbor control room and Electric Companies' Baltimore Load Dispatching office.
- (6) One circuit between the Safe Harbor control room and the Holtwood Plant control room.
- (7) Five additional circuits between the Holtwood Plant control room and Electric Companies' Baltimore Load Dispatching office.
- (8) One circuit between the Safe Harbor control room and terminal boxes on the C. & P. D. R. R. right-of-way at or near Section Rapids, Creswell and Columbia.

C. SUPERVISORY AND CONTROL FACILITIES

Railroad Company will provide, operate and maintain the following control circuits in conjunction with its own telephone cable and plant facilities, together with such wire and protective facilities as may be required to provide suitable pilot wire relaying circuits between the various points involved.

- (1) One pilot wire relay circuit between the Benning control room and Railroad Company's Perryville Substation.
- (2) *[Deleted.]*
- (3) Two pilot wire relay circuits between the Safe Harbor and Holtwood Plant control rooms.

September 9, 1937

MEMORANDUM TO MR. H.A. WAGNER
MR. J.A. WALLS

RE: ALLOCATION OF P.R.R. LOAD BETWEEN MARYLAND AND PENNSYLVANIA:

On March 3, 1937, we submitted to you a memorandum entitled "Arrangements Among the Aldred Companies with Respect to Pennsylvania Railroad Electrification Extension" in which we recommended that power and energy delivered to the Pennsylvania Railroad in Pennsylvania be considered as sold to the Railroad by Holtwood Company, and that power and energy delivered to the Railroad in Maryland and the District of Columbia be considered as sold by Baltimore Company. We also recommended that the total revenue from the Railroad Company (including charges for special facilities) be divided between Baltimore Company and Holtwood Company in proportion to the Kwh. delivered to the Railroad in Maryland (including the District of Columbia) and Pennsylvania, respectively.

After the electrification extension in Pennsylvania is in service, under normal operation as now proposed two 132 Kv. circuits from Safe Harbor to Perryville will be connected to the Railroad Company's 132 Kv. circuits running south from Perryville and will also be connected to the Fishing Creek Substation of the Railroad in Pennsylvania and to the Railroad Company's step-down transformers supplying the trolleys at Safe Harbor, without any other high tension connection to circuits supplying the railroad load in Pennsylvania. The energy supplied to Maryland can then be obtained by reading the send-out meters at Safe Harbor on the two Perryville circuits just mentioned and subtracting from these readings the amount of energy tapped off at Fishing Creek and Safe Harbor for supply to the trolleys in Pennsylvania. This can be done at the end of the month without much trouble by reading the meters at Fishing Creek and Conestoga Substations. However, to obtain the data for hourly and daily allocations between states would require the installation of printometers and the sending

- 2 -

of men daily to the unattended and isolated Fishing Creek Substation and to the step-down transformer portion of Conestoga Substation. In other words, the records required for such allocation would be inaccessible except at considerable cost and inconvenience to the Railroad's operating organization, who would themselves have no need for, nor interest in, such records. Furthermore, if the 132 Kv. Railroad circuits south of Perryville should be connected to the 132 Kv. circuits north of Perryville, or with the circuits to Harrisburg or Parkesburg, the allocation of the energy between the states would have to be estimated, unless a large expenditure is made for high tension metering. Any inaccuracy in this estimate would not affect the bill to the Railroad Company and would affect only the gross revenues and not the net revenues (except slight changes in taxes) of the Baltimore and Holtwood Companies.

This metering question was brought to our attention early in the summer and was discussed with the engineers of both companies. It was the unanimous opinion that the expense and complication of arranging for hourly, daily and weekly allocations were not justified; that for the purpose of statistical records of hourly, daily and weekly loads the entire supply to P.R.R. should be treated as a separate unit, not included in the load of any of the three Aldred Companies, and that the allocation of railroad load as between Maryland and Pennsylvania be made only every month for the purpose of dividing the P.R.R. payment between Baltimore Company and Holtwood Company.

If any change is to be made in this metering plan, or in the plan for division of railroad revenue recommended on March 3rd as referred to in the first paragraph above, it is important that those concerned be advised at an early date, because any provisions for additional metering equipment and meter reading procedure, if necessary, must be made at once.

OPERATING COMMITTEE:

(Signed) F. E. Ricketts
F. E. RICKETTS

(Signed) R. L. Thomas
R. L. THOMAS

C
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P
YCONSOLIDATED GAS, ELECTRIC LIGHT AND POWER COMPANY
OF BALTIMORE

Baltimore, Md.

Office of the President

September 9, 1937.

Mr. J. A. Walls, President,
Pennsylvania Water & Power Company,
Lexington Building, Baltimore, Md.

Dear Mr. Walls:

Referring to yours of September 9, I had read the Operating Committee's report of September 9 on the "Allocation of the P.R.R. Load Between Maryland and Pennsylvania." The conclusions arrived at therein and the recommendations of the Operating Committee in their memorandum of March 3, 1937, are acceptable to our Company. I will send my approval to the Operating Committee with yours. This will involve some changes in our Income Account and Load Reports, but I think we can handle this matter without difficulty.

My trip to Europe was a most pleasant one in every respect, but I am very glad to get home.

Very truly yours,

(Signed) Herbert A. Wagner
President.

HAW:W

C
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September 9, 1937

Mr. Herbert A. Wagner, President,
Cons. Gas Electric Light and Power Company
Baltimore, Md.

Dear Mr. Wagner:

I have the Operating Committee's Report of September 9th on the "Allocation of the P.R.R. Load Between Maryland and Pennsylvania." The conclusions arrived at therein and also the recommendations of the Operating Committee in their memorandum of March 3, 1937 are acceptable to P.W. & P. Company.

I don't know whether you have yet had time to study the recommendations but if you have gone into the matter and approve of it, I will then send in my approval to the Operating Committee. If you should like to discuss this I will be at your convenience.

Hope your trip to Europe was a pleasant one even though you had to cover a good deal of ground in a short time.

Yours very truly,

(Signed)

J. A. Walls

J. A. Walls
President

JAW:F

SERVICES TO PENNSYLVANIA RAILROAD
UNDER
RAILROAD CONTRACT
AND
DIVISION BETWEEN MARYLAND AND PENNSYLVANIA

<u>Year</u>	<u>Energy Delivered in Maryland Kwh.</u>	<u>Energy Delivered in Pennsylvania Kwh.</u>	<u>Total Energy Delivered Kwh.</u>	<u>Maximum Monthly Demand Billed Kw.</u>
1944	256,895,000	194,082,000	450,977,000	78,000
1945	250,030,000	194,937,000	444,967,000	77,000
1946 (Estimated)	238,100,000	216,675,000	454,775,000	79,000

*Total P.R.R. demand in Maryland and Pennsylvania.

INSTALLED SINGLE PHASE CAPACITY
FOR
RAILROAD SUPPLY

<u>Type of Equipment</u>	<u>Capacity-Kw.</u>	<u>Location</u>	<u>Ownership</u>
Frequency Changer	25,000	Benning, D.C.	Potomac Electric Power Co.
Frequency Changer	25,000	Safe Harbor, Pa.	Safe Harbor Water Power Corp.
Water Wheel Generator	28,000	" " "	" " "
Water Wheel Generator	28,000	" " "	" " "
Total Single Phase Capacity	106,000 kw.		

S-F
4-10

[21355]

Exhibit No. 12

2521

TOTAL REVENUES RECEIVED FROM PENNSYLVANIA RAILROAD
FOR JOINT SERVICES IN PENNSYLVANIA & MARYLAND
AND DIVISION OF REVENUES RECEIVED BY PENN WATER

<u>Year</u>	<u>Total Revenues</u>	<u>Division of Total Revenues Paid by Baltimore Co. to Penn Water</u>
1944	\$ 3,380,903.29	\$ 1,455,513.99
1945	3,269,251.66	1,432,348.44
1946 (Estimated)	3,388,500.00	1,615,800.00

SPECIFIED FACILITIES AND OTHER SPECIAL FACILITIES
PROVIDED UNDER TERMS OF
RAILROAD CONTRACT

<u>Item</u>	<u>Location</u>	<u>Ownership</u>	<u>Contract Charge Included in Revenues Received from P R R by Baltimore Co</u>
Initial Converting Equipment One 25,000 kw. Frequency Changer	Benning, D. C.	P. E. P. Co.	\$ 90,480.00
Initial Converting and Generating Equipment One 25,000 kw. Frequency Changer One 28,000 kw. Water Wheel Generator	Safe Harbor, Pa.	S. H. W. P. Corp.	130,140.00
Additional Water Wheel Generator One 28,000 kw. Water Wheel Generator	Safe Harbor, Pa.	S. H. W. P. Corp.	81,131.28
Initial Transmission Facilities Four Circuit 132 kv. Line.	Safe Harbor, Pa. to Perryville, Md.	P. W. & P. Co. and S. T. Co. of Md.	122,100.00
Initial Substation Four 20,000 kva. Transformers	Safe Harbor, Pa.	P. W. & P. Co.	84,900.00
Additional 13 kv. Transformer Switching Equip. Three Additional Switch Positions	Safe Harbor, Pa.	P. W. & P. Co.	8,184.00
Other Special Facilities	Safe Harbor, Pa.	P. W. & P. Co.	8,574.24
			<hr/> \$ 525,509.52
Rental and Maintenance of 110 kv. Benning Circuit Patapsco Crossing to Benning, D. C.	On P. R. R. Right- of-Way	P. R. R.	(-) 6,000.00
			<hr/> \$ 519,509.52

S-H.

I-10

[21357]

Exhibit No. 14

2523

PENNSYLVANIA WATER & POWER COMPANYTotal Interchange Sales to and Interchange Purchases
from Pennsylvania Customers

<u>Year</u>	<u>Total Interchange Sales</u>		
	<u>Kilowatthours</u>	<u>Revenues</u>	<u>Penn Water's Share of Savings</u>
1944	160,309,000	\$810,137	\$ 150,164
1945	201,259,000	873,578	180,563
1946 (Estimated)	143,800,000	612,900	125,100

<u>Year</u>	<u>Total Interchange Purchases</u>		
	<u>Kilowatthours</u>	<u>Payments</u>	<u>Penn Water's Share of Savings</u>
1944	39,709,000	\$181,270	\$ 21,162
1945	16,051,000	61,444	3,455
1946 (Estimated)	19,200,000	75,700	7,300

PAYMENTS MADE BY PENN WATER AND BALTIMORE CO.
TO SAFE HARBOR WATER POWER CORP.

<u>Year</u>	<u>Payments made by Penn Water</u>	<u>Payments made by Baltimore Co.</u>
1944	\$1,214,554	\$2,429,107
1945	1,231,772	2,463,545
1946 (Estimated)	1,188,603	2,377,206

January 8, 1945

MEMORANDUM TO: Mr. H. L. Gruhn, Sec'y., Consolidated Gas Electric Light and Power Company of Baltimore
 Mr. Jas. L. Rintoul, Vice Pres., Pennsylvania Water & Power Company
 Mr. C. A. Lappe, Treas., Safe Harbor Water Power Corporation

SAFE HARBOR COMPANY'S BILL TO BALTIMORE COMPANY AND
 HOLTWOOD COMPANY FOR THE YEAR 1944

(a)	7% on Accumulated Actual Investment of \$30,150,326.27 as of Dec. 31, 1943	\$ 2,110,522.84
(b)	Payment on net additions during 1944 at rate of 7% per annum	(1,481.16)
(c)	Expenses	
	1. Operating Expense	\$ 265,515.92
	2. Maintenance	125,668.79
	3. General Expense	258,942.09
	4. General Taxes	136,871.53
	5. Federal Normal Tax and Surtax	371,431.48
	6. Federal Excess Profits Tax	202,419.76
	7. Depreciation (Annuity only) 1944	<u>174,010.53</u>
	Total Expenses	<u>1,534,860.10</u>
(d)	Sum of (a) + (b) + (c)	\$ 3,643,901.78
(e)	Rent from Electric Property	<u>241.20</u>
(f)	Net Bill for Year 1944 (d) - (e)	\$ 3,643,660.58
(g)	Net Bill to Baltimore Company 2/3 of (f)	\$ 2,429,107.05
(h)	Gross Amount billed to Baltimore Company for first eleven months of 1944	<u>2,205,254.94</u>
(i)	Net Balance due from Baltimore Company for December 1944	\$ <u>223,852.11</u>
(j)	Net Bill to Holtwood Company 1/3 of (f)	\$ 1,214,553.53
(k)	Gross Amount billed to Holtwood Company for first eleven months of 1944	<u>1,102,627.48</u>
(l)	Net Balance due from Holtwood Company for December 1944	\$ <u>111,926.05</u>

R. T. Greer

R. T. Greer

C. W. Spaulding
 C. W. Spaulding

January 8, 1946

MEMORANDUM TO: Mr. H. L. Gruehn, Sec'y., Consolidated Gas Electric Light and
Power Company of Baltimore
Mr. Jas. L. Rintoul, Vice Pres., Pennsylvania Water & Power Company
Mr. C. A. Lappe, Treas., Safe Harbor Water Power Corporation

SAFE HARBOR COMPANY'S BILL TO BALTIMORE COMPANY AND
HOLTWOOD COMPANY FOR THE YEAR 1945

(a)	7% on Accumulated Actual Investment of \$30,128,852.54 as of Dec. 31, 1944.	\$ 2,109,019.67
(b)	Payment on net additions during 1945 at rate of 7% per annum	246.00
(c)	Expenses	
1.	Operating Expense	\$ 283,288.92
2.	Maintenance	127,963.48
3.	General Expense	285,615.34
4.	General Taxes	127,209.29
5.	Federal Normal Tax and Surtax	371,431.48
6.	Federal Excess Profits Tax	216,748.64
7.	Depreciation (Annuity only) 1945	<u>173,962.59</u>
	Total Expenses	<u>1,586,219.74</u>
(d)	Sum of (a) + (b) + (c)	\$ 3,695,485.41
(e)	Rent from Electric Property	<u>168.00</u>
(f)	Net Bill for Year 1945 (d) - (e)	\$ <u>3,695,317.41</u>
(g)	Net Bill to Baltimore Company 2/3 of (f)	\$ 2,463,544.94
(h)	Gross Amount billed to Baltimore Company for first eleven months of 1945	<u>2,241,797.57</u>
(i)	Net Balance due from Baltimore Company for December 1945	\$ <u>221,747.37</u>
(j)	Net Bill to Holtwood Company 1/3 of (f)	\$ 1,231,772.47
(k)	Gross Amount billed to Holtwood Company for first eleven months of 1945	<u>1,120,898.80</u>
(l)	Net Balance due from Holtwood Company for December 1945	\$ <u>10,873.67</u>

R. T. Greer

R. T. Greer

G. W. Spaulding

G. W. Spaulding

April 11, 1946

ESTIMATE OF SAFE HARBOR COMPANY'S BILL TO BALTIMORE COMPANY AND
HOLTWOOD COMPANY FOR THE YEAR 1946

(a)	7% on Accumulated Actual Investment of \$30,136,866.86 as of Dec. 31, 1945	\$ 2,109,580.68
(b)	Payment on Net Additions during 1946 at rate of 7% per annum	3,375.00.
(c)	Expenses	
1.	Operating Expense	\$ 311,800.00
2.	Maintenance	153,300.00
3.	General Expense	240,000.00
4.	General Taxes	122,957.75
5.	Federal Normal Tax and Surtax	449,830.51
6.	Depreciation (Annuity only) 1946	<u>175,165.00</u>
	Total Expenses	<u>1,453,053.26</u>
(d)	Sum of (a) + (b) + (c)	3,566,008.94
(e)	Rent from Electric Property	<u>200.00</u>
(f)	Estimated Net Bill for Year 1946 (d) - (e)	\$ 3,565,808.94
(g)	Estimated Bill to Baltimore Company, 2/3 of (f)	\$ 2,377,205.96
(h)	Total Amount paid by Baltimore Company January to March, Incl.	\$ 589,455.09
(i)	Estimated Bill to Baltimore Company April to December, Incl. (g - h)	\$ 1,787,750.87
(j)	Estimated Bill to Baltimore Company per Month	\$ 198,638.99
(k)	Estimated Bill to Holtwood Company, 1/3 of (f)	\$ 1,188,602.98
(l)	Total Amount Paid by Holtwood Company January to March, Incl.	\$ 294,727.56
(m)	Estimated Bill to Holtwood Company April to December, Incl. (k - l)	\$ 893,875.42
(n)	Estimated Bill to Holtwood Company per Month	\$ 99,319.49

ETG
GWS:K

January 8, 1945

MEMORANDUM TO: MR. H. L. GRUEHN
MR. JAS. L. RINTOUL

HOLTWOOD COMPANY'S BILL TO BALTIMORE COMPANY FOR DECEMBER 1944

The reference letters used below correspond to the Paragraph letters under Article III of the Supplemental Agreement of June 1, 1931, as amended by Supplemental Agreement of September 29, 1939.

(a) NET POWER REVENUE OF HOLTWOOD COMPANY

1. 1930 Revenue Adjusted to Avg. River Flow	\$ 2,832,259.75	
2. Decrease in Revenue from Cust. other than Balto. 1931 compared with 1930	70,080.06	
3. Base Net Revenue		\$ 2,762,179.69

(b) PAYMENTS ON NET ADDITIONS AT 10.25% & 9.5%

895,713.19

(c) EXPENSES

1. *Operating Exp. (Excl. Power Purchased)	963,079.44	
2. Maintenance	335,902.79	
3. General Expense	500,594.38	
4. General Taxes	334,125.59	
5. Federal Normal Tax and Surtax	930,245.37	
6. Federal Excess Profits Tax	298,477.22	
7. Depreciation	\$ 355,146.73	
Less. Adj. for Auto Depreciation	3,624.06	
	351,522.67	
8. Total		3,713,947.46
*Power Purchased shown in Item (d)		

(d) HOLTWOOD COMPANY'S PAYMENTS FOR POWER PURCHASED

1. Metropolitan Edison Co.	26,050.79	
2. Philadelphia Electric Co.	105,039.66	
3. Pennsylvania Power & Light Co.	50,179.73	
4. Safe Harbor Water Power Corporation	1,214,553.53	
5. Total		1,395,823.71
SUM OF (a), (b), (c) and (d)		8,767,664.05

(e) HOLTWOOD COMPANY'S REVENUE FROM PARTIES OTHER THAN BALTO.

1. Pennsylvania Power & Light Co. (Firm Power)	2,166,823.11	
2. Philadelphia Electric Co., Coatesville	986,360.03	
3. Edison Light & Power Co., York	368,904.43	
4. Pioneer Electric Light Co.	9,432.84	
5. Metropolitan Edison Co.	323,044.35	
6. Philadelphia Electric Co. (Via P.R.R.)	196,778.33	
7. Pennsylvania Power & Light Co. (Interchange)	290,314.66	
8. Pennsylvania Railroad Company	1,455,513.99	
9. Conowingo Backwater Payment	133,750.00	
10. Rent from Electric Property, etc.	35.50	
11. Total		5,930,957.24

(f) INTEREST ON INCREASE IN RESERVE FOR DEPRECIATION

199,154.43

(h) REDUCTION AS PER SUPPLEMENTAL AGREEMENT OF SEPT. 29, 1939:

600,000.00

(i) MISCELLANEOUS CREDITS

9,703.62

TOTAL DEDUCTIONS - SUM OF (e), (f), (h) and (i)

6,739,815.29

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Exhibit No. 18

[21364]

- 2 -

- (1) NET BILL FOR YEAR 1944
- (j) TOTAL AMOUNT BILLED FOR FIRST ELEVEN MONTHS OF 1944
- (k) BALANCE DUE FOR DECEMBER 1944

\$ 2,027,48.76
1,742,471.76
\$ 285,377.00

OPERATING COMMITTEE

R.T. Greer

R.T. GREER FOR CONS. GAS ELECTRIC
LIGHT & POWER CO. OF BALTIMORE

G.W. Spaulding
G.W. SPAULDING FOR PENNSYLVANIA
WATER & POWER COMPANY

January 8, 1946

MEMORANDUM TO: MR. H. L. GRUEHN
MR. JAS. L. RINTOUL

HOLTWOOD COMPANY'S BILL TO BALTIMORE COMPANY FOR DECEMBER 1945

The reference letters used below correspond to the Paragraph letters under Article III of the Supplemental Agreement of June 1, 1931, as amended by Supplemental Agreement of September 29, 1939.

(a) <u>NET POWER REVENUE OF HOLTWOOD COMPANY</u>		
1. 1930 Revenue Adjusted to Avg. River Flow	\$ 2,832,259.75	
2. Decrease in Revenue from Cust. other than Balto. 1931 compared with 1930	<u>70,080.06</u>	
3. Base Net Revenue		\$ 2,762,179.69
(b) <u>PAYMENTS ON NET ADDITIONS AT 10.25% & 9.5%</u>		
		899,456.97
(c) <u>EXPENSES</u>		
1. *Operating Exp. (Excl. Power Purchased)	956,195.28	
2. Maintenance	346,734.79	
3. General Expense	625,541.55	
4. General Taxes	317,248.94	
5. Federal Normal Tax and Surtax	937,305.66	
6. Federal Excess Profits Tax	266,470.56	
7. Depreciation	\$ 355,146.73	
Less: Adj. for Auto Depreciation	<u>2,728.97</u>	<u>352,417.76</u>
8. Total		3,801,914.54
*Power Purchased shown in Item (d)		
(d) <u>HOLTWOOD COMPANY'S PAYMENTS FOR POWER PURCHASED</u>		
1. Metropolitan Edison Co.	4,836.90	
2. Philadelphia Electric Co.	33,537.27	
3. Pennsylvania Power & Light Co.	23,069.83	
4. Safe Harbor Water Power Corporation	<u>1,231,772.47</u>	
5. Total		<u>1,293,216.47</u>
SUM OF (a), (b), (c) and (d)		<u>8,756,767.67</u>
(e) <u>HOLTWOOD COMPANY'S REVENUE FROM PARTIES OTHER THAN BALTO.</u>		
1. Pennsylvania Power & Light Co. (Firm Power)	2,053,740.12	
2. Philadelphia Electric Co., Coatesville	939,107.73	
3. Edison Light & Power Co., York	397,325.85	
4. Pioneer Electric Light Co.	11,187.23	
5. Metropolitan Edison Co.	353,508.27	
6. Philadelphia Electric Co. (Via P.R.R.)	249,795.37	
7. Pennsylvania Power & Light Co. (Interchange)	270,274.13	
8. Pennsylvania Railroad Company	<u>1,432,348.44</u>	
9. Conowingo Backwater Payment	133,750.00	
10. Rent from Electric Property, etc.	None	
11. Total		5,841,037.14
(f) <u>INTEREST ON INCREASE IN RESERVE FOR DEPRECIATION</u>		
		220,275.48
(h) <u>REDUCTION AS PER SUPPLEMENTAL AGREEMENT OF SEPT. 29, 1939</u>		
		600,000.00
(x) <u>MISCELLANEOUS CREDITS</u>		
		<u>11,238.38</u>
<u>TOTAL DEDUCTIONS - SUM OF (e), (f), (h) and (x)</u>		
		<u>6,672,551.00</u>